JPRS 78382

25 June 1981

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2142

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RESERVES FOR HIGHER AGRICULTURAL OUTPUT

Sofia POLITICHESKA AGITATSIYA in Bulgarian No 9, 1981 pp 13-18

[Article by Senior Scientific Associate First Class Dimitur Dimitrov, doctor of agricultural sciences: "Reserves for Increasing Grain Crop Yields"]

[Text] "The rapid increase in the production of grain and its most efficient utilization must become the strategic task of the Eighth Five-Year Plan" (from the theses of the 12th Congress of the Bulgarian Communist Party)

The basic task of agriculture in the Eighth Five-Year Plan will be to increase considerably the production of grain from all crops cultivated in the country. In this respect unquestionable successes have been achieved over the past 15-20 years. However, the level reached no longer satisfies the need of the national economy which requires the further intensification of grain production. The 1981-1985 plan calls for the production of 10.5-11 million tons of grain, which will represent a 29.6-35.8 percent increase. This substantial increase will come from increasing the areas in grain and reaching higher yields through the fuller utilization of the land, the various strains, equipment, fertilizer, and achievements of scientific and technical progress.

The high and steady yields achieved by a large number of agroindustrial complexes and brigades and of entire okrugs are proof of the realistic possibility of considerably increasing the amount of grain obtained in all parts of the country with proper care for the crops and maximum utilization of existing natural-weather and organizational-economic prerequisites.

In developing the plans for grain production in the Eighth Five-Year Plan we must take into consideration some basic aspects of the practical work required for the implementation of this party and state assignment. This will enable us to ensure the utilization of possibilities which have been left partially unused so far and to mobilize all forces for the forthcoming battle for more grain.

First of all, an extensive evaluation of natural-weather conditions prevailing in the individual okrugs, complex, farm, or brigade, and of the results they achieved last year and under the last five-year plan must be carried out. A specific study must be made of subjective errors and of the condition of the material and technical facilities. Proper conclusions concerning future work must be based on an objective assessment and high self-critical and exacting standards. We must take into consideration the fact that despite the clarity of the assignment and the desire to supply grain production with the necessary facilities, not everything can be accomplished at the very beginning of the five-year plan, and that the efforts for the fullest and most effective utilization of available material facilities will have to be made in the future as well. It is precisely in this case that the skill of the manager , scientist, specialist or mechanizer, his sharp eye and his social awareness and feeling of duty will be of decisive significance in terms of end results—the quantity, quality and cost of production.

Naturally, all of this is exceptionally important and necessary. However, even if it is fully applied, it would be insufficient by itself. It is high time to convert into practical action all obligations to agriculture, including grain growing, assumed by industry and import agencies. This must be accomplished in full, promptly and rhythmically. This becomes even more necessary when we bear in mind the fact that agriculture is dealing with large organisms and is steadily affected by largely uncontrollable and unpredictable natural factors. That is why it has the right to demand the mandatory and timely deliveries of the necessary quantities of modern equipment, fertilizers, preparations, seeds, capital investments and others, without which a modern and highly effective agricultural production would be inconceivable.

A highly profitable grain production industry requires, most of all, the fullest possible utilization of existing natural, material and technical, manpower and other domestic resources, which are far from being fully stilized, but which could ensure even greater successes in the Eighth Five-Year Plan.

The optimizing of the structure of predecessing crops decisively affects the level of wheat and barley production at the present stage. The need for proper alternation of crops, something which many areas of our country have been violating in recent years, was proved by science a long time ago and was categorically confirmed by practical experience. The result was increased cultivation of barley and a relatively limited cultivation of wheat in stubble fields and after late predecessors. This slows down and worsens the quality of the pre-sowing preparation of the soil and the sowing. In practical terms this means lower autumn yields. Regardless of the efforts made to surmount such adverse factors (higher sowing and fertilizing norms), the compensation is not complete or reliable, and production costs rise. That is why the exclusion of stubble as a predecessor for wheat and barley is an urgent need and measure which must be implemented in its basic lines in the very next year or two in all grain production areas. Late predecessors, the consequences of which are also negative, must be systematically curtailed as well.

The country's interest calls for the careful and competent assessment of long term results of wheat and barley productivity in some areas and for giving priority to either crop which could yield higher and more stable output. Any superficial assessment or surrender to tradition in this respect lowers grain yields and brings losses to the producers and the national economy.

Rye and oats are planted on more than 500,000 decares mainly in the elevated part of the country. The level of their yields creates major difficulties in satisfying the needs of animal husbandry for concentrated forage in these areas. In order to ensure the proper use of this crop and of the area on which it is grown it is necessary, first of all, to procure an adequate amount of high quality seeds and chemical fertilizers consistent with the fertility of the soil.

Triticale, a new strain based on the crossing of wheat with rye, is a promising crop for areas considered inadequate for the cultivation of wheat and barley. It combines the high yields of the wheat with the lesser exigency of conditions required for the growing of barley. Grown under industrial conditions for many years in several parts of the country (Vidin, Veliko Turnovo, Plovdiv, Burgas and other okrugs), it proved its high productivity on soils where wheat yields are lower and with very disparate annual harvests. Its positive qualities include a higher protein and lysine content in the grain, which makes it suitable for industrial animal husbandry (hog and poultry breeding). For the time being strain No 7291 appears to be most adequate for the entire country. It is distinguished by its high production potential and resistance to falling. However, we must not forget that the necessary quantities of chemical fertilizers must be applied if we are to obtain high good quality Triticale yields.

We are still underestimating the problem of the quantity of grain harvested from millions of decares of semimountainous land. Bearing in mind that in the years to come an even larger amount of such land will be used for grain production, the development of proper technologies become extremely urgent. Such technologies must be based on the specific characteristics of these huge areas, such as the depth and fertility of the soil cover, weeds, temperatures drop, droughty periods, extended vegetation periods, need for suitable equipment and others. The full utilization of such "virgin lands" for our grain production would be impossible without such scientifically based and practically tested developments conducted jointly by scientists and production specialists. Naturally, such areas should be planted essentially in Triticale, rye, oats and, on a very selective basis, wheat and barley and some early ripening corn hybrids.

In recent years, our country has achieved considerable success in corn growing. In some okrugs (Ruse, Pazardzhik, Silistra) and in many complexes and brigades corn growing has reached very closely the optimum limits of productivity under Bulgarian conditions. However, our current corn growing is based on late and medium-late hybrids, which have a high production potential but are unsuitable as predecessors for autumn crops and which considerably lower such crops' yields. Furthermore, their harvesting entails considerable losses, expenditures of energy for grain drying, some losses as a result of winter storage, and so on. That is why such hybrids are adequate mainly in irrigated areas and wheat and barley should be planted after them only on an exceptional basis.

Medium-early or early hybrids, harvested in suitable weather conditions with minimum losses, not requiring the drying of the grain, and making the timely and high quality preparation of the soil and the autumn sowing possible, dominate in many European countries whose weather conditions are similar to those of Bulgaria, in terms of corn growing. With proper plant density high grain yields are achieved with lower production costs. Even though the abnormal nature of the present correlation among the different groups of corn hybrids is clear, virtually nothing is being done in practical terms to change this situation. Furthermore, the Eighth Five-Year Plan calls for early hybrids to account for no more than 3 percent while medium early hybrids for 17 percent of corn growing areas. Obviously, this ratio cannot be considered the most suitable bearing in mind the droughty conditions of our country and the fact that in many areas no irrigation is used in the cultivation of this crop.

Many okrugs face the practical requirement of increasing the cultivation of leguminous crops, including not only soy beans but beans, lentils, and seed peas, whose areas have been considerably reduced and, in some parts of the country, have been entirely eliminated. It is no secret that the quantity of beans produced not only fails to meet in full population requirements but hinders the implementation of some contractual obligations assumed by the state toward other countries. For many years lentils have been classified as scarce or even "luxury" food. The view that we should rely in the growing of lentils only on the initiative of individual farms, and that the balance should be imported, proved to be unrealistic. It should be eliminated this very year and in 1982 if we wish to ensure that lentils may resume their traditional place in Bulgarian cuisine. This demands of the specialists maximum attention and efforts and the reaching of average yields of no less than 80-100 kg in suitable areas. The planned average yield for the five-year plan of 50 kg is not consistent with the natural-weather conditions of the country.

The development of strain structures optimal for specific production areas is yet another still incompletely used reserve for obtaining a greater quantity of grain per decare with identical material outlays in the various okrugs, complexes, farms and brigades. Quite frequently a greater amount of identical strains is used. This can only hinder the harvesting of the crop and the storage of the seed without, however, contributing to the increase and stabilization of yields. Indeed, if it is necessary to use ten, 12 or more strains and hybrids of a specific crop in a single okrug, the fact does not mean in the least that all of them should be represented within a single complex or farm, regardless of the prevailing conditions of individual microrayons. With the use of a specific, scientific and properly established strain structure, and without additional outlays, we could rely on increasing yields per decare by 40-50 or more kg. This requires not only willingness but specific work and the ability to observe and analyze the characteristics of strains and hybrids, ensure the availability of high quality seed, and the type of caring consistent with biological requirements. Let us also note that some okrugs have a tendency to generalize the use of some strains regardless of specific cultivation conditions. Microzoning is neglected, i.e., their use in the most suitable, even though limited, areas where they can display their productive potential most completely.

Seed production is one of the basic features of the struggle for further grain production intensification. No significant or quick success can be achieved in ensuring the procurement of adequate quantities of high quality seed without organizing this work on the proper level. Despite the successes achieved in this area, particularly in the fast practical utilization of the new selections, many weaknesses remain which lower the productive possibilities of the zoned strains and hybrids. This particularly applies to the seed production sectors of agroindustrial and industrial-agrarian complexes which supply the bulk of the seed but which, in many cases, fall far short of requirements.

Errors are still being made in the preparation of the soil, the time and quality of sowing, and the determination and observance of sowing norms, based on strain, area and predecessor crop differentiations.

The use of fertilizer is another incompletely used reserve.

For both objective and subjective reasons, chemical fertilizers are quite frequently not applied at optimal times and in proper correlation with nutritive elements. The lack of specific data on fertilizer requirements of individual land areas does not allow us to achieve the optimum results on which we could rely with proper fertilizing. This results in higher costs and lower grain yields.

Irrigation, particularly of corn crops, offers great opportunities. In many parts of the country this crop is still not being irrigated in accordance with requirements as a result of erroneous computations regarding the available quantities of water, equipment, areas and other subjective difficulties. The result is that we are not reaching the level of productivity which could be achieved if requirements related to irrigation and fertilizing were met in full.

Virtually nothing is being done to ensure the study and practical utilization of the various reactions shown by the strains and hybrids to the individual elements of the agrotechnical complex. Problems of strain agrotechnology are being underestimated. This leaves unused a considerable opportunity for reducing the amount of seed, fertilizers, preparations, and others without any reduction in yields.

Omissions exist also in the organization of the struggle against pests and diseases. A particularly characteristic example in this respect is that of the loose smut of barley. For many years on end it has lowered yields by 10-15 percent. We are equally slow in waging a struggle against the Darnel ryegrass, the capsid grain bug and other pests which lower the quantity and quality of the grain.

The results achieved so far in the struggle against weeds cannot be considered effective despite the extensive use of chemicals. The steadily rising prices of herbicides and the need to reduce their use for environmental protection considerations calls for the waging of a purposeful struggle against weeds using agrotechnical measures which, of late, have been neglected. The struggle against such undesirable companions of crops can be successfully waged only with the skillful combination of agrotechnical with chemical facilities.

The efforts to refute grain losses between the harvest and delivery to the warehouses leaves something better to be desired. Not everything is in order in grain transportation, drying and cleaning.

The use of brigade organization of labor provides conditions for the development of a creative atmosphere, the elimination of existing weaknesses, the adoption of a specific exacting and critical attitude, and giving moral and material incentives to farm workers, based on the quantity and quality of their labor invested in grain production.

In order to meet honorably the tasks set for the Eighth Five-Year Plan for the production of no less than 1200 kg of grain per capita, it is necessary, above all, to ensure the strict observance of technological discipline for the individual crops. Unquestionably, if we combine it with the latest achievements in science and the experience of leading practical experience and the specific characteristics of the individual areas, positive results will be achieved in the 1981-1985 period.

The steadily improving material and technical facilities for grain production, improved work organization, and availability of strains and hybrids with high potential productivity and of experienced managerial and performing cadres are the guarantee that the major and responsible party and state task of achieving new levels in the production of grain in the country will be implemented.

5003
CSO: 2200/85

BRIEFS

TRADE FAIR EXHIBITS--In 1981, Czechoslovakia will exhibit its products in 20 countries, traditionally in Moscow, Budapest, Bucharest, Plovdiv, Poznan and Zagreb. Special effort will be given to Czechoslovak trade fair exhibits in Barcelona, Casablanca, Guayaquil, Lima, Paris, Nicosia, Thessalonike, Damascus, Tokyo and Vienna, to expand and intensify trade cooperation with the nations concerned. /Bratislava SMENA in Slovak 2 Jun 81 p 5]

CSO: 2400/218

STATISTICS PROVIDED ON SHIPBUILDING FOR 1980

East Berlin SEEWIRTSCHAFT in German Vol 13 No 2, Feb 81 pp 57-66

[Unattributed report: "GDR Shipbuilding 1980: Performance Between the Ninth and Tenth Party Congresses"]

[Text] In 1980 the working people of the Shipbuilding Combine VEB were able to exceed their state plan tasks by 2.49 day's production. The performance development which was achieved in the previous year is reflected in particular by

--the new construction output of 61 ships,
--ship repairs on approximately 270 vessels,
--the additional production of consumer goods valued at over M 2.5 million, and
--surpassing the planned production of goods by more than 1 percent.

In 1980 shipowners in 11 countries took delivery of a total of 54 ships (83 percent of the GRT [gross register tonnage]) from GDR shipyards. The traditional chief buyer, ahead of Panama and Liberia, is again the USSR with 40 ships.

Warnow Shipyard VEB, Warnemuende

The Warnow Shipyard delivered four additional specialized bulk cargo freighters of the UL-ESC type to the Murmansk Shipping Company for use in cargo shipping, which is economically so important, on the northern route between Dudinka on the Yenissei River and Murmansk. This year there will be eight more including six with shipborne cargo handling equipment (consisting of three 2 x 12.5 ton ship's lifting cranes).

On 4 December of last year the MS [motor ship] "Sloveniya" was delivered to the Yugoslav Shipping Company Jugolinija Rijeka as the 25th unit of the "Meridian II" type. The shipping company, with which there have been trade relations since 1974, previously took delivery of eight ships, specifically three of the "Ozean" type and five of the "Meridian II" type. In 1980 other purchasing countries were Romania, India and Liberia, each of which received one new ship.

Neptun Shipyard VEB, Rostock

The first oceangoing bucket-ladder dredger in a new generation of dredgers destined for the USSR-christened the "Skadovsk"--was launched on 23 December.

Its special features are the long service life of the dredging equipment and the partially automated dredging operation. The dredged material is disposed of via chutes to barges. Anchoring and warping the dredger during the dredging operation are accomplished by means of dredger anchors and dredger winches utilizing head, side and stern ropes. The side ropes, as necessary, can be located 4.5 meters below the water surface.

Dredging output at a depth of 12 meters	750 m^3/hr
Dredging depth	5 to 18/24 m
Dumps, infinitely variable	2 to 30/min
Service period, dredging operation	30 days
Wave height for dredging	≤0.5 m
Tonnage	1,710 GRT/505 NRT [net register tons]
2 electric traction motors	320 rpm 2 x 570 kW
Current generators	
--1 x 8 NVD 48 A-2, SKL 970 kW	
--1 x 6 NVD 48 A-2, SKL 735 kW	
--1 x 6 NVD 26 A-2, SKL 220 kW	
--1 x 4 VD 14.5/12-1 SRW 51 kW	
Speed at trial	8.3 knots
Overall length	80.11 m
Length between the perpendiculars	70.88 m
Molded beam	14.40 m
Molded depth/height	5.20 m
Freeboard draft	3.75
Load capacity	666 tons
Living accommodations for	35 persons

Class USSR Register KM L 2 1 I A (dredger)

For the first time there was delivery of new ships from a GDR shipyard to customers from Cyprus (the MS "Wellwood") and Singapore (the MS "Beate" and MS "Baunton").

In respect to the accomplishments in the repair sector special mention must be made of the complete rebuilding of the Soviet research ship "Balkhash" which, after 1-1/2 years of rebuilding and modernizing work was put back in service by the USSR on 11 December. In modernizing this 110-meter long floating laboratory (6,500 GRT), which had been delivered by the Neptun Shipyard to the USSR Academy of Sciences on 23 December 1964, the workers and engineers of the shipyard, in cooperation with the crew, the Soviet supervisory authority and the cooperating enterprises, accomplished exemplary work. A new item for the shipyard was, for example, the trial cruise for regulating the ship's diesel-electric power plant. That kind of job always used to be done on freighters at the shipyard's own trial dock which--as it turned out--is considerably more costly.

Mathias-Thesen Shipyard VEB, Wismar

Six new ships and the general repair of the passenger ship MS "People's Friendship" were the accomplishments in 1980. The series of refrigeration and transport ships of the "Polar"/"Crystal" types increased by 3 to 28 units. With the further development of the universal freighter of the OBC [ore, bulk, container] type into the multipurpose bulk container ship with a container capacity that has been increased to 863 TEU, including 261 refrigerated containers, the shipyard underscored the versatility of this basic type; thus far a total of 19 of these units were delivered to customers in 9 countries.

People's Shipyard VEB, Straulsund

With 22 additional catching and processing ships of the "Atlantic Supertrawler" type, warranty repairs and 2 general repair jobs, the working people of the People's Shipyard performed the major share in the positive balance sheet of the shipbuilding combine. By constantly exceeding the goals of the 5-year plan, two supertrawlers were delivered in addition to the original target.

Elbe Shipyards VEB, Boizenburg/Rosslau

Soviet inland shipping took delivery of three additional floating hotels in the form of the inland passenger ships "Konstantin Fedin" for the Volga Shipping Company, Gorki, the "XXX Let GDR" for the Volga-Don Inland Shipping Company, Rostov, and the "Vissarion Belinskiy" for the Northwest Shipping Company, Leningrad. Now the USSR has 16 inland passenger ships of this type which are designed for 360 cabin passengers.

On 22 December 1980 the USSR took delivery of the MS "Tavda" for shipping on the Siberian river Irtysh (home Port Omsk); it was the 22nd and last container-inland coastal motorship of the CBK [container-inland coastal motorship] series (1,600 dwt). With this type a new generation of inland ships for the various transport tasks and for containerizing Soviet shipping via inland waterways was created. Based on use, the experiences of the inland shipping companies confirm the greater efficiency in container transport as compared with the traditional freighters with aft superstructure and the customary holds.

As a successor type and as a continuation of the CBK series the first refrigerated container ship (KBK) was launched on 17 November 1980.

Yacht Shipyard VEB, Berlin

The working people at the Yacht Shipyard VEB, Berlin, in 1980 delivered six additional inland passenger ships to the White Fleet and short distance operations, respectively, and nine pusher tugs.

Balance Sheet and Tasks

Using the results for 1980, shipbuilders can at the same time also present an economically impressive sheet of what was achieved in the 1976-1980 Five-Year Plan. In this period the GDR shipbuilding industry increased industrial goods production to about 133 percent (1971: 27.2 percent) and in almost all areas exceeded the targets of the Ninth SED Congress. The integration relations, which are related to division of labor and are planned for a long term, are the basis of this successful balance sheet.

Table 1. Total New Construction and Export in the 1976-1980 Five-Year Plan

Year	Number of Ships	GRT	Export ships	Export--GRT in percent
1976	69	367,800	61	86
1977	54	387,580	44	81
1978	58	405,988	44	73
1979	59	394,745	50	82
1980	61	368,822	54	83
Total	301	1,924,935	253	80

Table 2. New Construction by Ship Type in the 1976-1980 Five-Year Plan

Ship Type	Number
Dry-cargo ships	126
--All-container ships	11
--General Cargo ships	91
--Bulk cargo ships	24
Fishing ships	126
--Catching and processing ships	104
--Catching and freezing ships	8
--Deep-freeze ships	14
Other	49
--Large inland passenger ships	13
--Oceangoing bucket-ladder dredgers	1
--Repair ships	12
--Container-inland coastal ships	22
--Lifting vessels	1

Table 3. New Construction by Shipyard in the 1976-1980 Five-Year Plan Period and Export

Shipyard	Number of Ships	GRT	Number of Ships	Export--GRT in percent	
Warnow Shipyard VEB, Warnemuende	58	692,911	47	577,173	83
Neptun Shipyard VEB, Rostock	54	377,364	27	221,570	59
People's Shipyard VEB, Stralsund	104	361,236	99	344,625	95
Mathias-Thesen Shipyard VEB, Wismar	37	399,577	33	338,961	85
Elbe Shipyards VEB, Boizenburg/Rosslau	47	92,547	47	92,547	100
Total	301	1,924,935	253	1,574,878	82

Table 4. New Construction in 1980 by Shipyard

Shipyard	Number of ships	GRT	Load capacity in tons
Warnow Shipyard VEB, Warnemuende	12	137,039	193,185
Neptun Shipyard VEB, Rostock	10	70,607	96,440
Mathias-Thesen Shipyard VEB, Wismar	6	69,498	96,019
People's Shipyard VEB, Stralsund	22	68,893	46,578
Elbe Shipyards VEB, Boizenburg/Rosslau	11	22,785	14,665
Total	61	368,822	446,887

Table 5. New Construction in 1980 by Ship Type

Ship type	Number of ships	GRT	Load capacity in tons
Dry-cargo ships	33	261,640	369,829
--All-container ships	2	31,560	44,068
--General cargo ships	18	153,362	210,300
--Bulk cargo ships	5	68,654	102,461
--Container-inland coastal ships	8	8,064	13,000
Fishing ships	25	92,461	75,393
--Catching and processing ships	22	68,893	46,578
--Refrigeration ships	3	23,568	28,815
Other	3	14,721	1,665
--Inland passenger ships	3	14,721	1,665
Total	61	368,822	446,887

Table 6. Export Share of New Construction, 1980

Item	Number of ships	Total GRT	Percent
Total exports	54	307,355	83
--USSR	40	169,530	46
--Other countries	14	137,825	37
National shipping companies	7	61,467	17
Total new construction	61	368,822	100

Tables 1 to 6 provide information about performance in new construction and export, both overall and subdivided by shipyards and ship types. Based on the GRT, 80 percent of new construction tonnage was exported (1971/75 96.6 percent). In addition to the USSR and GDR, shipowners in Romania, Yugoslavia, Bermuda, the FRG, France, Greece, Hong Kong, India, Liberia, Panama, Sweden and four other countries received new GDR ships.

In order to accommodate the GDR's foreign trade transport requirements by sea, in this period the GDR merchant fleet received 42 new ships from domestic shipyards, including the following from the Warnow Shipyard VEB, Warnemuende specifically for the Asia-America fleet sector:

--7 multipurpose freighters of the "Meridian II" type, 13,655 dwt, and
--4 freighters of the "Mercator" type, 12,050 dwt.

The new ships are being used in shipping to the Far East. In August the MS "Berlin--GDR Capital," which was put into service on 13 July 1980, inaugurated one of the new express services of the DSR [German Maritime Shipping Company, Rostock] Lines to the Far East. The ships in express service between Europe, Hong Kong and Japan arrive in Japan 38 days after departure from Rostock and arrive in Singapore in 30 days on the Europe-Malaysia-Singapore-Jakarta route. General cargo, industrial equipment and even liquid cargos in small quantities are transported in addition to a maximum of 300 containers.

The Mediterranean/Africa fleet sector received the following from the "Neptun" Shipyard VEB, Rostock:

--18 freighters of the "Poseidon" type, 7,310 dwt
-- 5 freighters of the "Neptun-421" type, 12,685 dwt, and
-- 4 freighters of the "Neptun-471" type, 7,880 dwt.

With these 27 new ships the Neptun Shipyard accounts for the major share of DSR fleet modernization. The Mathias-Thesen Shipyard VEB, Wismar, delivered three multipurpose freighters of the OBC type, each with a load capacity of 23,200 tons, for transporting bulk cargo, and the Peene Shipyard VEB, Wolgast, delivered the dredger "Wolgast" (1,300 GRT). Six new ships (five "Atlantic Supertrawlers" and the refrigerated transport ship "Lichtenhagen") were delivered to the Rostock Fishing Enterprise VEB.

In the period covered by the report a total of 14 new and further developed ship types were put into production. It was possible to make significant progress in developing and guaranteeing quality and reliability by means of the plan for science and technology, which has developed into a major management instrument, and by intensifying the research potential of the enterprises for building ship's engines and systems.

Production of Goods With Quality Label Increased to 4.6 Times Previous Level

The workers at the Rostock Diesel Motor Works VEB, the Klement-Gottwald Works VEB, Schwerin, and the Automatic Refrigeration System Works VEB, Berlin, have a considerable share in this positive balance sheet; their plants are heavily involved in determining the utility of the ships.

In the Klement-Gottwald Works VEB, Schwerin, 73.3 percent of goods production have the quality label "Q" or "1," respectively. These include the construction series of steering gears, anchor and warping winches and hydraulic warp winches. Thus, the newly developed ship's cranes of the type 4 DWSK, which, when coupled, can lift up to 25 tons, have a substantial share in increasing the utility value of the specialized bulk cargo freighters of the "UL-ESC II" type.

The Rostock Diesel Motor Works reached a record international level with the development and production of the series of variable pitch propeller equipment which accommodates the output range from 2,850 kW to 8,250 kW and has the quality label "Q."

By starting production of the series of screw compressor sets, which also have the quality label "Q," the Automatic Refrigeration System Works VEB, Berlin, created the prerequisite for the fact that GDR shipbuilding for years has been jointly involved in setting the international standard with respect to ship's refrigeration plants.

With the shipowner-oriented further development of product classification into the classification of ships as a whole it was possible, starting in 1975, to decisively increase the share of goods production subject to testing. The product quality thus achieved and the reliable behavior in use which was demonstrated during ship operation made it possible to award the highest quality label to the GDR to three structure-determining ship types. These are:

--the special bulk cargo freighters of the UL-ESC type from the Warnow Shipyard VEB, Warnemuende (January 1979),

--the "Atlantic Supertrawlers" from the People's Shipyard VEB, Stralsund (October 1979), and

--the inland passenger ships from the Elbe Shipyard VEB, Boizenburg/Rosslau (April 1980).

Every Third New Ship an 'Atlantic Supertrawler'

With 104 of 301 new ships, the "Atlantic Supertrawler" catching and processing ship is by far the most frequently built ship type. As part of the construction program of the People's Shipyard, Stralsund, since 1972, constantly perfected on the basis of experiences from use and operation by deep sea fishermen and varied in intermediate series of six fishing training ships and eight fish search ships, this ship type embodies socialist economic integration in action. Situation and catch reports repeatedly underscore the multifaceted use of this factory trawler, which at present is the one most frequently built, even on an international scale (annual catch up to 14,000 tons). Thus, on the occasion of the "Inrybprom-80" in Leningrad, Soviet deep sea fishermen reported on a fishing voyage in the Antarctic by the fishing training ship "Professor Kozhin." The ship, which was delivered to the Vladivostok deep sea fishing base from the People's Shipyard VEB, Stralsund, on 20 April 1979, caught about 3,500 tons of krill between December 1979 and March 1980 and had daily catches of 150 tons.

Development of Productivity by Raising the Technological Level

By means of rationalization projects and WAO [Scientific Labor Organization] measures a total of 15,500 operators positions were altered or newly designed and in the process 3,850 such jobs with difficult conditions were eliminated. These results and the development of productivity were achieved by raising the technological level, especially by

--further increasing the use of automated welding methods, primarily CO_2 welding,

--developing efficient equipment and facilities technology for the more efficient utilization of the performance parameters of automated welding methods,

--establishing new and modernizing existing assembly and manufacturing sectors with a high degree of mechanization for the construction of sections for shipbuilding, like double bottoms and flat and shaped surface sections,

--implementing additional measures to rationalize ship hull assembly, especially by increasing the mass and dimensions of the sections and by shifting jobs to covered production sites,

--the changing of insulation technology of ship insulation by using self-foaming insulation materials with a PIC base,

--improving the block construction method for rationalizing outfitting processes,

--the transition to new mechanized methods in jobs having to do with cleaning, rust removal and painting, and

--the substantial increase in domestic manufacture of rationalization means typical of shipbuilding with a simultaneous increase in the level of mechanization.

30-Percent Decrease in Repair Time

The target of a 30 percent decrease in repair time by 1980 vis-a-vis 1975 was achieved completely by the Warnow Shipyard, to varying degrees by the Neptun Shipyard, Rostock, in the individual ship series, and not at all by the Mathias-Thesen Shipyard in Wismar. By 1985 the repair periods are once again to be reduced by 30 percent, including 10 percent in 1981. This requires:

--more consistent management and planning-based control of the repair processes on the part of all concerned,

--further rationalization of the repair processes,

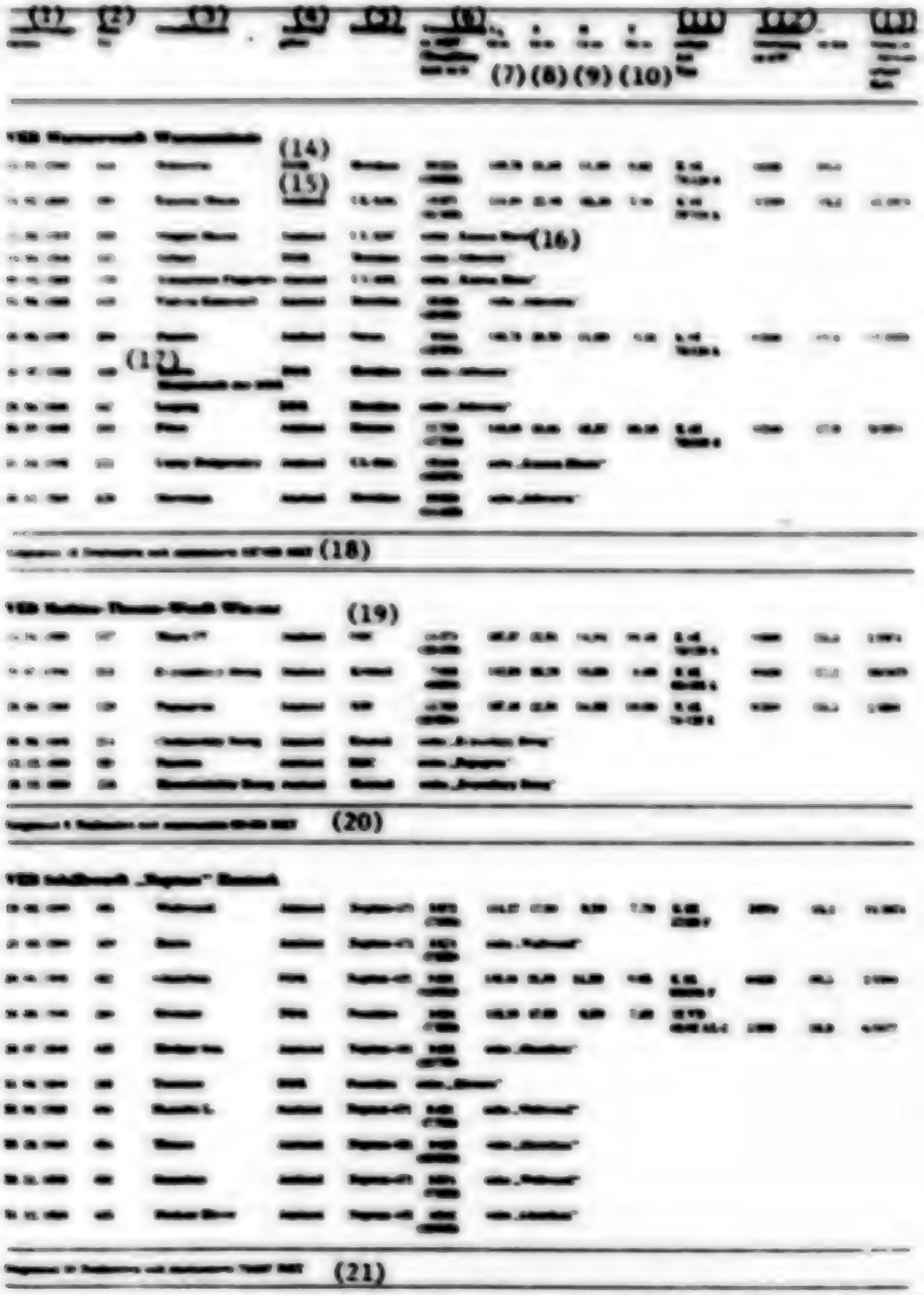
--consistent observance of specific repair limits and lay days,

--optimal coverage with repair ships to guarantee a high concentration of workers,

--limiting repairs to the technical-economically justified scope,

--guaranteeing the necessary availability of material and replacement parts by these shipyards and the establishment of an appropriate reserve, in the event of disruptions, by the ship operators.

Ship Deliveries by GDR Shipbuilding in January 1980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Key:
(1) Date of delivery
(2) Yard number
(3) Name of ship
(4) Purchaser
(5) Type of ship
(6) Tonnage in GRT (Load capacity in tons)
(7) Length between perpendiculars in meters
(8) Width in meters
(9) Height in meters
(10) Draft in meters
(11) Power plant
Kind
Type
(12) Power output in kW
(13) Description in SEEWIRTSCHAFT No
(14) GDR
(15) Foreign country
(16) see "Kusma Minin"
(17) Berlin-GDR Capital
(18) Total 12 new vessels with 137,039 GRT
(19) Ore, bulk, container
(20) Total 6 new ships with 69,498 GRT
(21) Total 10 new ships with 70,607 GRT

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[illegible] (26)												

Key [continued]

(22) Atlantic Supertrawler

(23) otal 22 new ships with 68,893 GRT

(24) Container-inland coastal ship

(25) Inland passenger ship

(26) Total 11 new ships with 22,785 GRT

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CSO: 2300/222

EXPORT PERFORMANCE OF 1980 ANALYZED

Budapest FIGYELO in Hungarian 20 May 81 p 7

[Text] The accelerating price rise of 1979--numerous factors played a role in it that were speculation-induced and reflected the political and foreign-exchange uncertainties--continued in the first months of 1980. Thereafter, however, the effects of real supply and demand already made themselves felt on the capitalist market: the slowdown and occasional recessions of the capitalist world economy curbed demand, and this triggered the stagnation and decline of prices. The depression was best characterized by the decline of metal prices that lasted through the end of the year. On the market for petroleum and its products, however, prices again rose after the temporary decline of demand and prices during the year. A rising price level was generally characteristic of the market for farm products, due to unfavorable crop forecasts. This applied particularly to cereals, and also to certain protein-rich feeds (soybean meal, fish meal), sugar and beef. On the other hand, the prices of coffee, cocoa and other tropical crops declined.

Contractual prices in the socialist countries' ruble-denominated foreign trade rose faster in 1980 than the preceding year, under the influence of the world-market price changes during the preceding five years, including the sharper price changes in 1979. Calculated in foreign-exchange prices, the import price level of ruble-denominated foreign trade increased by about 9 percent; and the export price level, by about 8 percent. The 13.4-percent reduction in 1980 of the ruble's commercial exchange rate in forints more than offset the rise in foreign-exchange prices: at forint prices the price index of import dropped 5.5 percentage points; and the price index of export, by 6.5 percentage points. Since the price level of export dropped by more than the price level of import, the terms of trade in ruble-denominated foreign trade worsened further by one percentage point, which was less than the preceding year.

In nonruble-denominated foreign trade the changes in foreign-exchange prices were reflected in a rise of 12 percentage points in the price index of import in terms of nominal dollars, and nearly 14 percentage points in the case of export. In accordance with our active exchange-rate policy, the forint exchange rates of capitalist currencies were gradually reduced in 1980 (the exchange rate of the United States dollar by 8.8 percent), as a result of which the price index in forints rose merely 2 percentage points in import, while the export price level rose 3.6 percentage points.

The terms of trade that express the ratio of export prices to import prices improved by 1.6 percentage points. This improvement in the terms of trade resulted from the fact that in 1980 we did not buy petroleum for capitalist currencies, and thus the higher petroleum prices on the world market did not raise the import price level.

Prices and Volumes

According to the forint price indices that express the combined price changes in trade with the two principal provenances and destinations, and which include also the changes in the exchange rates of foreign currencies in relation to the forint, the price level dropped on average in 1980 by 1.7 percentage points in import, and by 1.3 percentage points in export. The overall terms of trade showed a slight improvement.

In ruble-denominated import the forint price level dropped the least, by 2.1 percentage points, in the case of sources of energy, while the price levels of the other principal commodity groups were 4 to 7 percentage points lower than in 1979. The 1980 import volume was equal to the import volume the preceding year. Within this the imports of sources of energy were up by about 15 percent, while imports of industrial finished products and food dropped.

The rise in the foreign-exchange prices of certain sources of energy was offset by the reduction of the ruble's exchange rate in relation to the forint, while the prices of other sources of energy increased also in terms of forints. (The forint prices at which we imported petroleum were 7 percent lower, and coal prices were lower by 11 to 13 percent, while the import prices of petroleum products increased by 10 to 17 percent.)

In ruble-denominated export the forint price level of industrial finished products and food declined by more than in import. The total export volume was lower by 1.0 percent than in 1979, because we exported less of products in the nature of materials, and of industrial consumer goods.

Development of Prices in Ruble-Denominated Export in 1980

	Price index (1979 = 100) in		Percent breakdown of export
	Forints	Dollars	
Sources of energy, electricity	107.9	124.6	0.5
Materials, semifinished products, parts	96.3	111.2	22.5
Machinery, transport equipment, other capital goods	93.2	107.7	46.0
Industrial consumer goods	93.5	108.0	17.0

[Continued]

Food-industry raw materials, live animals, foods	89.4	103.3	14.0
Jointly	93.5	108.0	100.0

The forint price level of materials and parts declined by 3.7 percentage points, less than average. Within this the decline of the forint prices of basic materials was sharper, 5 percentage points, while the decline in the forint price level of semifinished products was only 1 percentage point. The lower price level came about in such a way that the decline of the forint price level approximated the extent of the exchange rate's modification in the case of certain important export items--for example, bauxite, alumina, aluminum and certain types of rolled steel--while the prices of products supplied under the Hungarian-Soviet olefin program--for example, PVC powder, ethylene and propylene--were revised and increased significantly.

The forint prices of machinery, exported in the same volume as the preceding year, dropped by 6.8 percentage points, while on average the forint prices of exported industrial consumer goods were 6.5 percentage points lower in 1980 than in 1979.

Farm and food-industry products could be exported only at prices that were depressed in comparison with the other commodity groups, which is reflected in the above-average, 10.6-percentage-point decline of the price level. The export volume, however, increased by 3 percent.

In nonruble-denominated foreign trade the rise of the foreign-exchange prices in 1980 was moderated successively by the reduction during the year of the capitalist currencies' exchange rates, and thus the higher cost of import was less felt by domestic users. Within import the prices of energy sources increased significantly, by 14.6 percentage points. The rise in the prices of materials was smaller, only 2.8 percentage points. In accordance with the world market's price trends, the extent of rise in the prices of industrial finished products approximated that of materials. (In practice, however, this meant an unchanged forint price level in 1980.) In food import, due to the softening of the prices of several important items, the forint price level declined by 1.5 percentage points in comparison with the preceding year.

Nonruble-Denominated Foreign Trade

A contributing factor to the improved balance of trade was that imports for capitalist foreign exchange declined by nearly three percent in 1980. Imports of sources of energy were down by about 43 percent, while imports of machinery and equipment were lower by about 16 percent, due to the curtailment of investment activity.

Within the import of materials that accounts for more than 60 percent of the import volume, we imported basic materials at forint prices that on average were the same as the preceding year, but we imported semifinshed products at prices 6 percentage points higher. Import increased by more than 4 percent in 1980, after its significant decline the preceding year. Among the more important products, the prices of pulp and lumber increased by 12 to 14 percentage points, due to the limited supply. Because of the slump on the leather markets, the price of rawhide was 42 percentage points lower than the record price level the preceding year. Among the basic materials for metallurgy, the price of lead followed the world-market trend and declined 21 percentage points, but the price of iron ore rose 38 percentage points. Among the semifinished products we imported phosphorus fertilizer at prices 30 percent higher than in 1979, and zinc-coated sheet at prices 9 percent higher than in 1979.

Development of Prices in Nonruble-Denominated Import in 1980

	Price index (1979 = 100) in		Percent breakdown
	Forints	Dollars	of import
Sources of energy, electricity	114.6	125.7	5.9
Materials, semifinshed products, parts	102.8	112.8	61.5
Machinery, transport equipment, other capital goods	100.1	109.8	12.8
Industrial consumer goods	100.6	110.4	6.5
Food-industry raw materials, live animals, foods	98.5	108.1	13.3
Jointly	102.0	111.9	100.0

The prices of farm products gradually declined during the year, and on an annual basis they were 1.5 percentage points lower than in 1979. Among feeds we imported fish meal and feed barley (in accordance with the high price levels on the grain market) at higher prices than the preceding year. However, we imported soybean meal at prices 4 percentage points lower; and meat meal, at prices 9 percentage points lower. As a result of the decline in the world-market prices of coffee in the second half of the year, on average for the year the prices at which we imported green coffee beans were only 4 percentage points higher than in 1979. The price level of cocoa beans was 31 percentage points lower.

World-Market Trends

At a 3.6-percentage-point rise of the forint price level, nonruble-denominated export increased 2 percent in volume. In all principal commodity groups except machinery, export prices rose faster than the import prices. In accordance with the world-market price trends, the prices of energy sources showed the sharpest rise also in export. The export price levels of both materials and industrial consumer goods were 3.1 percentage points higher than in 1979, while the price level of our machinery export remained unchanged. The rise in the price level of our food export was above-average, 4.3 percentage points, while the export volume increased by about 8.5 percent.

Development of Prices in Nonruble-Denominated Export in 1980

	Price index (1979 = 100) in		Percent breakdown of export
	Forints	Dollars	
Sources of energy, electricity	123.6	135.6	6.9
Materials, semifinshed products, parts	103.1	113.1	37.8
Machinery, transport equipment, other capital goods	100.0	109.7	11.2
Industrial consumer goods	103.1	113.1	15.4
Food-industry raw materials, live animals, foods	104.3	114.4	28.7
Jointly	103.6	113.6	100.0

The 3-percentage-point rise in the price level of our export of materials came about in such a way that the we exported basic materials at forint prices 10 percentage points higher than in 1979; and semifinished products, at forint prices that were only one percentage point higher than the preceding year. Among the basic materials, outstanding were the increases in the price levels of pulpwood (132 percentage points) and alumina (134 percentage points). Among chemicals, exports of PVC powder, benzene and toluene increased significantly, at modest increases in the foreign-exchange prices that amounted to reductions in the forint prices. The steel crisis in the Common Market countries hampered our ability to export, and our export of rolled steel was down by about 16 percent.

Among the industrial finished goods we exported machinery at an unchanged forint price level, while the forint price level of exported consumer goods was 3.1 percentage points higher. Among the products of light industry the prices rose of shoes, cotton and woolen fabrics, and particularly of silk fabrics.

Farm and food-industry products played a decisive role in the development of export in 1980, and their price level rose by 4.3 percentage points. Taking advantage of the favorable situation on the grain market, we exported corn and wheat at prices that were approximately 20 percent higher. We exported slaughter animals at prices much more favorable than in 1979, although there was a shortage of beef cattle. Thanks to the expansion of our meat-processing capacity and to the increase of our hog population, we exported more pork at unchanged forint prices. The export prices of dressed poultry and mutton increased by 7 to 11 percent. Following the sharp rise in world-market prices, the export price of sugar doubled.

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PRICES IN HARD-CURRENCY TRADE ANALYZED

Budapest KULGAZDASAG in Hungarian No 5, 1981 pp 20-26

[Excerpts] Hungary's terms of trade improved by approximately three percentage points between 1975 and 1980.

The price ratios of materials and semifinished products, which accounted for the largest proportion of the turnover, developed favorably throughout the entire period: the rise of export prices was above-average (and also higher than the rise of import prices). With significant fluctuations, the price ratios of foods as the second most significant commodity group unalterably reflected the unfavorable situation that had developed in the early 1970s. Because of the relatively small rise of import prices, the terms of trade for industrial goods improved. The ratio of the export to import prices of machinery and equipment continued to worsen. However, the price ratios of energy sources, insignificant within our export in terms of volume, continued to improve.

In comparison with the developed capitalist countries, Hungary's terms of trade developed favorably, because the economies of the mentioned countries were essentially stagnating until 1978, after which a pronounced deterioration was noticeable. But as we very well know, Hungary's external economic equilibrium continued to worsen through 1978, due to the large-scale increase in import. Significant improvement occurred in 1979-1980, as a result of the curtailment of import and the dynamic expansion of export.

In the second half of the 1970s, the rise of Hungary's import prices lagged considerably behind the rise of the average price level in the developed capitalist countries, while the rise of Hungary's export prices lagged slightly behind this level. Thus the gap between the terms of trade that was evident at the middle of the decade narrowed, particularly during the last two years.

From 1975 through the second quarter of 1980, the developed capitalist countries' import prices in terms of dollars increased by 75 percentage points, while the average price level of Hungary's import increased by only 45 percentage points. Import prices increased by more than 80 percentage points

Table 1. Price Indices of Hungary's Nonruble-Denominated Foreign Trade
(1975 = 100)

		1976	1977	1978	1979	1980. I. félév (1)	a forgalom megoszlása 1979-ben (2)
				(3) Behozatal			
(6)	Energiahordozók, villamosenergia	102	111	113	175	229	9,0
(7)	Anyagok, félkésztermékek, alkatrészek	91	96	104	128	143	57,0
(8)	Gépek, szállítóeszközök, egyéb beruházási javak	106	112	125	136	147	15,1
(9)	Fogyasztási iparcikkek	96	99	110	119	131	6,0
(10)	Élelmiszeripari anyagok, élőállatok, élelmiszerek	90	116	120	128	137	12,9
(11)	Összesen	98,7	102,5	110,3	128,5	145,2	100,0
(12)	A fejlett tőkés országok árindexe	101	111	122	164	175	—
				(4) Kivitel			
	Energiahordozók, villamosenergia	100	110	127	190	256	6,5
	Anyagok, félkésztermékek, alkatrészek	98	102	112	140	158	39,6
	Gépek, szállítóeszközök, egyéb beruházási javak	104	110	121	131	141	12,1
	Fogyasztási iparcikkek	109	109	121	132	147	16,0
	Élelmiszeripari anyagok, élőállatok, élelmiszerek	100	105	110	121	139	25,8
	Összesen	99,9	105,1	114,0	131,6	148,2	100,0
	A fejlett tőkés országok árindexei	100	109	133	160	158	—
				(5) Cserearány			
	Energiahordozók, villamosenergia	98	99	112	108	112	—
	Anyagok, félkésztermékek, alkatrészek	107	106	108	111	110	—
	Gépek, szállítóeszközök, egyéb beruházási javak	98	98	96	96	96	—
	Fogyasztási iparcikkek	106	110	110	111	113	—
	Élelmiszeripari anyagok, élőállatok, élelmiszerek	111	90	92	97	103	—
	Összesen	101,2	102,5	103,4	102,2	102,9	—
(13)	A fejlett tőkés országok cserearányai	99	98	109	97	90	—

Forrás: A Külkereskedelmi Statisztikai Évkönyv adatai és az UN Monthly Bulletin of Statistics különböző számai alapján számítva.

Sources: Data from "Kulkereskedelmi Statisztikai Evkonyv" (Statistical Yearbook of Foreign Trade, and computations based on various issues of UN MONTHLY BULLETIN OF STATISTICS.

[Key to Table 1 on next page.]

Key to Table 1:

1.	First half of 1980	9.	Industrial consumer goods
2.	Breakdown of 1979 turnover	10.	Food-industry raw materials, live animals, foods
3.	Import	11.	Jointly
4.	Export	12.	Price indices of the developed capitalist countries
5.	Terms of trade	13.	Terms of trade of the developed capitalist countries
6.	Sources of energy, electricity		
7.	Materials, semifinished products, parts		
8.	Machinery, transport equipment, other capital goods		

in Italy, Switzerland and Japan, and by 60 to 80 percentage points in Belgium, Denmark, the Netherlands, West Germany, Norway and the United States.

The prices of energy sources, which account for about 9 percent of our import, rose at a slower rate than the world-market prices. Because of the relative weight of the energy sources, however, this did not play a decisive role in computing the price indices of the total turnover.

In 1979, materials and semifinished products accounted for more than one-half, 57 percent, of import. Their prices rose by 25 percentage points, which lags behind a rise of 30 to 50 percentage points in other countries. Within this the average prices of materials of vegetable and animal origin increased the most (by 57 and 100 percentage points respectively). In comparison with the export price indices of the capitalist countries, development of the prices of the items that are more important from our point of view can be termed favorable.

Table 2. Price Indices of Some Raw Materials* (1975 = 100)

	(1) [illegible]				(2) [illegible]			
	1976	1977	1978	1979	1976	1977	1978	1979
(1) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(2) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(3) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(4) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(5) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(6) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sources: Same as for Table 1.

*Comment: Although the randomly selected circle of commodities is not entirely identical, the indices of the actual world-market prices and of the Hungarian import prices in juxtaposition clearly illustrate the evolved trend, i.e., that Hungary is not importing at high prices.

[Key to Table 2 on next page.]

Key to Table 2:

1.	In nonsocialist world trade	5.	Wool
2.	In Hungarian foreign trade	6.	Cotton
3.	Crude rubber	7.	Pulp
4.	Coffee	8.	Lumber

For metholodical reasons, the data available on the development of the prices of raw materials imported by other countries are suitable for general information only. From 1975 through 1979, the import prices of raw materials calculated in dollars increased by 51 percentage points in Belgium, and by approximately 40 percentage points in Denmark. Although the average price level has been rising since 1975, from 1975 through 1978 the prices of many commodities declined even when calculated in dollars. Among foods, one such commodity was wheat. In 1979, however, we find only occasionally a commodity cheaper than it was in 1975. Very significant price differentiation occurred among materials, semifinished products and foods. Since the skyrocketing of prices, the rearrangement or changes of the relative price ratios have been far more frequent than, for example, in the 1960s.

According to our computations, the price indices of machinery and equipment --they account for 15 percent of our import--developed more or less in accordance with the trends of world trade. From 1975 through 1979, the import prices of capital goods increased by 52 percentage points in Belgium, 36 percentage points in Denmark, and 53 percentage points in the United Kingdom, the Netherlands and Italy; the import prices of transport equipment increased by 44 percentage points in West Germany, and by 51 percentage points in Sweden.

In comparison with the similar price indices of the developed capitalist countries, the rise of the import prices of the industrial consumer goods imported by Hungary was slower. The explanation of this is probably twofold: we shifted our imports in favor of the cheaper provenances, and we also reduced our quality specifications.

The dispersion of the price indices in the case of industrial products was not significant: the compared price ratios of the various products changed only slightly and were fairly stable over time.

Computed in dollars, the Hungarian import prices of foods--the development of which depends also on the weather--increased by about 25 percentage points over the past four years, which is significantly lower than the export price index published by the United Nations (58 percentage points). Except for sources of energy, the prices of foods increased the most in Hungary's import through 1975, but thereafter this trend did not continue. Comparison is rendered difficult by the fact that the developed capitalist countries' price indices for food imports show considerable dispersion already because they apply to imports of different composition.

Export Prices

In 4.5 years, the export prices of Hungary's foreign trade denominated in hard currency increased nearly 50 percentage points, while the combined export prices of the developed capitalist countries by approximately 60 percentage points. The developed capitalist countries' export price indices developed in the same way as Hungary's, for example, in the case of Denmark, West Germany, the United States, Canada and Japan. But in the export of Belgium, the Netherlands, Norway, Italy and Switzerland the rise in export prices was higher by 20 or more percentage points than in Hungary. (With 1975 as the base year, Hungary's export price indices from 1976 through the first half of 1980 were 100, 105, 114, 132 and 149.)

Dispersion of the export prices by principal commodity groups was smaller than in the case of import. The prices of materials, semifinished products and foods rose only slightly through 1978. In 1979 and 1980, however, the rise accelerated.

The effect of changes in the prices of energy sources is not significant because the volume was negligible.

The prices of materials and semifinished products, which account for nearly 40 percent of export, also rose faster than in import, and from 1979 on the price rise exceeded the average for the capitalist markets. The development of the prices of raw materials was the decisive factor in the improvement of the terms of trade during the past five years.

From 1975 through 1979, the rise in the prices of materials of vegetable origin was 37 percentage points, less than average. However, the rise in the prices of metallurgical basic materials, and of iron and steel semifinished products, was much higher (48 and 43 percentage points respectively).

In 1979, the prices of the chemical industry's basic materials were at the 1975 level, and the export prices of the chemical industry's intermediate products increased by 47 percentage points. From the available data we may conclude that the prices of basic materials developed rather unfavorably in comparison with other countries.

The export prices of machinery and transport equipment were 31 percentage points higher in 1979 than in 1975, but the increase was slower than in import (36 percentage points). On average the price increases were lower by 20 to 30 percentage points than the price increases of similar products in the developed capitalist countries.

Presumably the intensifying competition, quality shortcomings as well as the relatively obsolete technological level were factors in that the prices in Hungarian machinery export developed less favorably than in the developed capitalist countries.

Table 3. Export Price Indices of Machinery, Transport Equipment, Other Capital Goods (1975 = 100)

	1976	1977	1978	1979
Hungary	104	110	121	131
United Kingdom (Capital goods and transport equipment)	100	126	142	173
West Germany (Machinery and transport equipment)	104	128	137	150
Italy (Capital goods)	101	111	138	155
Japan (Transport equipment)				142
Sweden (Metal goods and transport equipment)	109	113	132	152
Switzerland (Capital goods)	107	135	147	158

Source: OECD STATISTICS OF FOREIGN TRADE, November 1980, converted into dollars.

The rise in the export prices of industrial consumer goods was somewhat higher than the rise in their import prices. The situation is more favorable also by international comparison: although the price rise of industrial consumer goods was smaller than the rise of the developed countries' corresponding export price indices, the gap was much smaller than in the case of machinery and capital goods.

At the same time, however, the 1979 export price index of consumer goods was 146 in Belgium and Italy, in comparison with 1975 as the base year. Textile prices rose 44 percentage points in Dutch export, and 54 percentage points in Japan's export.

During the past four years the price level of the food-industry raw materials, live animals and foods exported by Hungary rose 21 percentage points. This is less than the rise of capitalist export prices (36 percentage points), because the prices of several of our large-volume commodities rose slower than what the corresponding indices of nonsocialist world trade indicate. Computed in dollars, the prices of Hungary's exported bread grains dropped by about 10 percentage points from 1975 through 1979. But at the same time the prices of live animals rose by 44 percentage points; the prices of meat, processed meats and dairy products, by 31 percentage points on average; and the price of wine, by 36 percentage points.

From 1975 through 1979, the United Kingdom was able to increase the prices of its exported foods and beverages by 52 percentage points; the Netherlands, by 34 percentage points; and West Germany, by 30 percentage points.

Summary, Conclusions

The 3- to 4-percentage-point improvement in the terms of nonruble-denominated trade in the second half of the 1970s was a significant result.

The developed capitalist countries' terms of trade did not change from 1975 through 1978. As a result of the improved terms of trade, the considerable gap that had been noticeable in 1975 between the terms of trade of Hungary and those of the developed capitalist countries (78 and 90 percentage points respectively) narrowed by 3 percentage points. During the past two years, as a result of skyrocketing petroleum prices, the developed capitalist countries' terms of trade worsened by 10 percentage points. Thus in 1980, in comparison with 1970 as the base year, Hungary's terms of trade and those of the developed capitalist countries were essentially identical. Behind this, however, the factors and processes were very different.

The improvement of Hungary's terms of trade in the second half of the 1970s resulted from the relatively favorable development of import prices, from their moderate rise in relation to the export prices as well as to other countries.[10] In comparison with the import prices, the export prices of energy sources, materials and consumer goods improved, while the export prices of machinery worsened, and the export prices of foods remained unchanged.

The development of Hungary's import prices is determined predominantly by materials and, to a lesser but not negligible extent, by foods. Due to the commodity structure of trade, the role of energy sources is not significant. In the developed capitalist countries, however, energy sources play the primary role.

The import prices of materials rose faster in 1971 through 1975, and then somewhat slower in the second half of the decade, than the average prices of basic materials in capitalist world trade. Within this the rise of food prices was very significant in the first half of the decade, whereas in the second half the situation was somewhat more favorable.[11]

The rise of the import prices of machinery and consumer goods was much slow slower than average in the first half of the decade, and more or less around the average in the second half. The price movements, primarily in the case of machinery, more or less followed the world-market trends.[12]

When evaluating the import price index it is also necessary to take into account that the share of energy sources in the developed capitalist countries' import is more than 20 percent, while in the case of Hungary this share is below 10 percent. From which it follows that the gap between the divergent curves of the import price changes in Hungary and the developed capitalist countries, if we disregard sources of energy, still has not closed as yet. In other words, in the 1970s the price rise of other commodities was slightly faster in Hungary than the change in the developed capitalist countries' import prices, sources of energy excluded.

Through the entire 1970s, the rise of our export prices lagged more or less evenly behind the developed capitalist countries' export prices, by about 5 percentage points.

In the second half of the decade, the rise in the export prices of raw materials was above-average. The rate of rise in the prices of industrial goods came somewhat closer to the rates in other countries. However, the prices of our machinery and equipment did not develop favorably even in these years. As we have seen from various comparisons, the extent of the price rise was about 20 percentage points lower than in the developed capitalist countries, and it was also less favorable than the rise of prices in Hungary's export of consumer goods.

In relation to 1970 as the base year, the 1980 terms of trade comprehensively reflect the processes that took place.

Table 4. Price Changes in Hungarian Foreign Trade in the 1970s
(Second half of 1980/1970)

	Import	Export	Terms of trade
Sources of energy, electricity	1002	1140	114
Materials, semifinished products, parts	323	274	84
Machinery, transport equipment, other capital goods	282	217	77
Industrial consumer goods	242	259	107
Food-industry raw materials, live animals, foods	359	267	74
Jointly	337.7	270.4	80.1

Source: "Kulkereskedelmi Statisztikai Evkonyv" and on the basis of our own computations.

The worsening of Hungary's terms of trade is mostly a structural problem: commodities whose prices underwent a relative increase account for a major proportion of our import. The fact that we were not always able to increase the prices of similar products at the same rate as that of the rise of their export prices on the world market also played a role in the worsening of the terms of trade.

According to international comparisons, through 1975 we belonged among the countries with the least favorable terms of trade in relation to the developed countries. The situation slowly improved in the second half of the decade, until we reached the point where, as a result of the processes that took place during the past two years, Hungary's terms of trade match the average for the developed capitalist countries.

From the viewpoint of the development of Hungary's external economic situation, 1979 is a turning point in several respects. By 1978, as a result of skyrocketing prices on foreign markets, we reached a 20-percentage-point worsening of our terms of trade in relation to 1970 as the base year. This was unavoidable in view of the given commodity structure of Hungarian foreign trade, and due to Hungary's market position and ability to compete. The fact that the terms of trade have not worsened and we have made decisive steps to adjust to the changed external economic situation is one of the significant results of the past two years. A far more significant feature of this somewhat favorable development of prices is the dynamic expansion of export parallel with the curtailment of import, and also the arrest of the worsening of our balance of trade since 1974. The development in the coming years will depend on our ability to intensify this favorable trend, to expand our export with products that are more modern, more in demand, and in the most favorable price range.

FOOTNOTES

10. In the entire decade of the 1970s, the rise in Hungary's import prices was 9 percentage points lower than the rise of import prices in the developed capitalist countries.

11. From the viewpoint of methodology, a change of the price indices is a function of two variables: the development of prices, and the development of the commodity structure. Since the price indices of Hungarian foreign trade are weighted on the basis of the actual turnover each year, changes in the proportions of the commodities that undergo a relative price increase or price reduction also influence the values of the price indices.

12. Hungary procures the most advanced technology from the developed capitalist countries. In the supply of consumer goods, the role of the developing countries has increased, and also the assortment has shifted in favor of the somewhat cheaper and less demanding products.

1014
CSO: 2500/263

POLAND

SOCIOECONOMIC PLAN FOR 1981 REPORTED

Warsaw MONITOR POLSKI in Polish No 5, 20 Feb 81 pp 30-32

[Resolution of the Sejm of the Polish People's Republic, dated 12 February 1981, Regarding the Socioeconomic Plan]

[Text] The Sejm of the Polish People's Republic,

--taking into consideration the current, difficult national economic situation characterized by the imbalance of the domestic market that is expressed by a gap in the supply of goods, particularly food, in relation to the monetary income of the population and in foreign trade, investment activities and the supply of raw and other materials and considering the effects of the especially severe crop failure of 1980,

--recognizing the indispensability of formulating a national socioeconomic policy in a manner suitable for a socialist sense of justice and in accordance with the trends specified in social agreements reached in 1980,

--and guided by a goal for progress in stabilizing the socioeconomic situation of the nation and for a gradual but, at the same time, rapid recovery from the existing crisis and a renewed ushering of the nation onto a road of socioeconomic growth and strengthening of socialist democracy and social autonomy,

regards the following as fundamental social and economic goals in 1981:

I. A. Social goals of the plan:

1) Maintaining the level of consumption of population groups and families which are in the worst situation as well as creating a level of consumption for the remaining population groups and families in accordance with the existing economic capabilities, provided that the income policy for the population and availability of scarce goods is to be guided by criteria consistent with the socialist principles of social justice;

2) Assuring an increase of personal monetary income with consideration given to implemented pay raises, social services as well as the prices for procurement of agricultural products;

3) Aiming towards a maximum increase in the supply of market goods with special attention given to the supply of goods used in daily life and the expansion of services facilitating the existence of families;

4) Obtaining improved working conditions;

5) Increasing the means for developing health care, education and culture;

6) Implementing as much as possible the housing construction program with consideration given to the existing capabilities of supplying new urban communities with heat;

7) Intensifying activities in the area of environmental protection.

B. Production of materials:

1) In all the sectors of the national economy:

a) Achievement--with the shortened working time due to increased days off--of a maximum level of production and the completion of other material-type tasks.

b) Assurance of an increase in production and services for the domestic market according to the most urgent household needs, mainly standard articles of higher quality;

c) Assurance of profitable exports, particularly in the important directions from the standpoint of payment requirements;

d) Achieving improvements in supplying agriculture with the means of production [supplies and equipment] and services as well as service improvements for villages and farms;

e) Rational and effective use of energy, raw and other materials, particularly imported ones, and minimizing production costs;

f) Considerable reduction of investments by holding back the completion of some investments, without beginning new ones, utilization of stockpiled machinery and tools and concentration of outlays so as to achieve maximum results in 1981;

2) In the mining industry--maximizing coal production, which in 1981 is of extremely great importance in meeting economic and export energy needs; and also maximizing the production of copper ore and other raw materials;

3) In the manufacturing industry--shifting unused production capabilities from production for investment purposes to market and export production and increasing considerably the production of spare parts for machinery, tools and transportation equipment that are essential for improving repairs and maintaining operating readiness.

4) In small-scale production--increasing the size of production and services with special attention given to the needs of local markets and needed repairs of health-service, culture, education, trade, and service facilities.

5) In agriculture:

a) Creating comprehensively favorable conditions for intensifying the production of all farms, especially individual farms by providing the means of production to a greater degree, an appropriate price policy for agricultural products and means of production as well as a credit policy;

b) Undertaking comprehensive actions geared towards increasing production effectiveness of the socialized farms;

c) Active opposition to decreasing the number of livestock in view of the fodder difficulties;

d) Increasing the supervision over correctly appraising the quantity and quality of crops and animals to be procured as well as counteracting the frequent waste of crops and slaughter animals in their procurement, transportation and processing;

e) Development of rural autonomy, agricultural circles, farm cooperatives, sub-branch associations, rural housekeepers' circles, etc;

f) Improvement in the use of farmland for agricultural purposes and limiting the transfer of these lands for non-agricultural uses.

6) In forestry--intensifying the work in the growth and protection of forests and especially in the destruction of harmful forest insects as well as improving forestry management.

7) In the construction industry--utilizing favorable conditions for improving the organization and operation of the construction industry in order to assure steady fulfillment of tasks as well as improving the quality of work; at the same time it is necessary to concentrate operations intended for preparing and developing land in order to fulfill future home building tasks.

8) In transportation--efficiently using the transportation potential, improving the mechanical condition of transportation equipment as well as intensifying land and water transit transport service.

II. 1. The national socioeconomic plan envisages attainment of the following prime indicators and quantities in 1981:

Description	Unit of measure	Quantity in 1981	Percentage Indicator $\frac{1981}{1980}$ plan fulfillment
1. Social goals			
Monetary income of the people	billions of zlotys	1,933	117.7
including: wage fund	billions of zlotys	1,104	115.8
social services		251.8	129.1
income from sale of agricultural products	billions of zlotys	328	123.8
Goods supplied to the market	billions of zlotys	1,416	102.5
Value of services to the population	billions of zlotys	271.5	106.7
Number of hospital beds	thousands of beds	212.5	104.2
Number of children in pre-school education	thousands	1,299.1	104.6
Number of places in dormitories	thousands	130	101.1
Supply of paper for publishing	thousands of tons	245.9	108.9
Newspaper editions	millions of copies	2,875.4	106.1
Periodical editions	millions of copies	875.8	107.9
Number of homes given for occupancy	thousands	243-248	101.3-103.3
Including: in socialized construction	thousands	193	102.9
2. Production of materials			
Industrial production	billons of zlotys	3,109	99.5-100.5
Hard coal mining	millions of tons	172	88.1
Estimated additional, voluntary mining on free Saturdays	millions of tons	16	x
Electrical energy production	billions of kWh	123.5	101.2
Production of rolled iron and steel industry products	millions of tons	12.8	93.6
Copper production	thousands of tons	340	91.9
Nitrogen fertilizer produc production	thousands of tons N_2	1,422	105.8

Phosphorus fertilizer production	thousands of tons P_2O_5	950	109.8
Production of plastics	thousands of tons	627.3	111.6
Cement production	millions of tons	18.7	99.5
Coniferous lumber production	thousands of m^3	5,625	95.8
Total paper production	thousands of tons	1,050.5	100.6
Meat products of slaughter animals	thousands of tons	1,663	80.8
Production of concentrated fodder mixture	thousands of tons	6,560	100.9
Final net production in agriculture	billions of zlotys	317	116.3
Obtained lumber--large timber from National Forests	millions of m^3	19	97.4
Building and erection work in the national economy	billions of zlotys	489.6	96.7
Public and industrial subbranch transportation of cargo (except water transportation)	millions of tons	1,663	101.3
Seaport transshipments	millions of tons	49	81
3. Means of plan fulfillment			
Employment in the socialized economy	thousands of workers	11,800.0-12,000.0	98.1-99.7
Investment outlays in the national economy	billions of zlotys	535	85.6
Including: in the socialized economy	billions of zlotys	461	83.1
Turnover of foreign trade goods	billions of foreign-exchange	104.5	97
Trade balance of goods, services and construction	billions of foreign-exchange zlotys	-3	x
4. The generation and distribution of national income	billions of zlotys	1,886	96.7
Generated national income for distribution	billions of zlotys	1,965	96.2
Consumption	billions of zlotys	1,629	100.4
Share of consumption in the income for distribution	percent	82.9	x

2. The national socioeconomic plan should assure consistent implementation of the program for socialist/economic integration and especially the implementation of concluded agreements and contracts with member nations of the Council for Mutual Economic Assistance [CEMA] as well as increased cooperation with socialist nations in solving problems, particularly those of the food management, supply of the domestic market and transportation.

Considering the exceptional importance of economic, scientific and technological cooperation between Poland and the USSR, it is necessary to continue to increase and strengthen cooperation based on coordinated plans and long-term programs as well as on-going coordination fulfilling current needs and capabilities of both nations.

3. The 1981 socioeconomic plan must also assure expansion of cooperation and reciprocal foreign trade with other nations for the purpose of improving the foreign trade balance.

4. It is necessary to assure fulfillment of the planned supply of market goods and services to the population and to take measures aimed at increasing them during implementation of the plan. At the same time it is necessary to take all other measures for the purpose of alleviating the difficult monetary situation.

III. Final provisions

1. The Sejm of the Polish People's Republic authorizes the Council of Ministers to distribute to the ministries the tasks and means of implementing the plan, especially fuel, energy, essential raw and other materials, machinery and equipment, foreign-exchange funds and allotments of outlays for investment-type construction and purchase of capital goods. The Council of Ministers, by 31 March 1981, will present to Parliament information on the accomplished distribution.

2. The Sejm of the Polish People's Republic authorizes the Council of Ministries to intensify activities designed to increase the independence and responsibility of enterprises and to adapt the method of preparing their plans in accordance with these authorizations.

3. The Sejm of the Polish People's Republic authorizes the Council of Ministers, in the event of major discrepancies between targets established by this resolution and the economic quantities stemming from the plans to be adopted for implementation by industrial units, to present to the Sejm a draft of the proposed modification of the resolution.

Marshal of the Sejm: S. Gucwa

CSO: 2600/170

PRODUCER INVOLVEMENT IN EXPORT PROCESS ENCOURAGED

Bucharest REVISTA ECONOMICA in Romanian No 15, 10 Apr 81 pp 11-12

/Article by Octavian Botes: "The Export Program As a Priority Task for All Enterprise Functions"/

/Text/ Law No 12 of 1980 to strengthen workers self-management and economic and financial-foreign exchange self-administration in foreign trade and international economic cooperation is one of the series of measures taken by the party and state administrations on behalf of firm application of the new economic-financial mechanism in one of the economic sectors that is to make an important contribution to implementation of the program and decisions of the 12th RCP Congress.

Production for export is a priority task and it must be performed by the producer enterprises at the highest possible technical and qualitative parameters to meet the demands of international competition. As Party Secretary General Nicolae Ceausescu said at the recent Plenum of the National Workers Council, "Alongside implementation of the production plan, all units and ministries as well as the foreign trade enterprises and the Ministry of Foreign Trade and International Economic Cooperation must emphasize priority implementation of production for export and the export trade."

Extent of Export Activity Requires Revised Enterprise Policy

The volume of Romanian foreign trade has increased strikingly in the last three decades (42 times greater in 1980 than in 1950), an evolution also characteristic of the exports in that period. Of course this process did not and should not take place uniformly in all the economic sectors and subsectors. In keeping with the structural changes in the Romanian economy, there has been a considerable increase in the share of exports in the total industrial output, with emphasis upon some subsectors of the processing industry. The changes in the exports of some subsectors taken as examples in the table below indicate the emphasis on production for the foreign market in many subsectors and industrial units.

But the question that arises is how a microeconomic structure designed and oriented to perform production functions for the domestic market can function as an exporter by current standards, and often as a great world exporter. When an enterprise's production for export reaches two-thirds of its productive capacity it is no longer an enterprise with deliveries for export but an exporting enterprises that also delivers for the domestic market.

Product	Percentage of exports in output 1965	 1979
Tractors	21.5	67.0
Bearings	30.0	63.0
Synthetic fibers and threads	1.4	18.3
Plastics	1.6	27.3
Leather footwear	10.6	37.0

When it is an enterprise's main activity, the proportion of exports in the industrial output of the producer units requires organisational adjustment for that purpose, which adjustment determines the efficiency of every economic unit and the development of the whole economy, which most directly depends upon export activity.

The 1981-1985 period, as an integral part of the "decade of science, technology, quality and efficiency," finds most Romanian industrial enterprises in full course of development of exports on the foreign markets. Of course the question comes up, how are the Romanian enterprises specializing in exports prepared to cope with these increased tasks? Has the exporting policy become controlling for every function of the enterprise? There is no question that the policy of a producer for a planned domestic market with "assured" sales can have little chance of success on the international market.

But the resolution of this apparent contradiction does not require changes in the organizational-legal framework of the enterprises' operation but only firm application of the new economic-financial mechanism and the principles of workers self-management as one of the essentials for enhancing the contribution of foreign trade and international economic cooperation to Romania's socioeconomic development.

Three years ago, on the basis of the important documents ratified by the Plenum of the RCP Central Committee of 22-23 March 1978, Law No 5 of 1978 on Organisation and Management of the State Socialist Units assigned the producer enterprises increased functions for substantiating and drafting the plan for foreign trade and international economic cooperation, procurement of the required orders and contracts for the longest possible periods, and joint participation with the specialised foreign trade enterprises in prospecting foreign markets and negotiating and concluding firm contracts, outline-contracts, orders etc. The producer enterprises were also accorded the right to participate in cooperative production with foreign firms and organisations, directly (if so authorised) or through specialised foreign trade enterprises. They can also initiate, negotiate and conclude, within the limits of their powers, cooperative programs including participation in the founding of mixed companies. This series of provisions of Law No 5 of 1978 (Section I, Paragraph c) enabled the producer enterprises to approach and participate more directly in the complicated process of foreign economic relations and especially in export activity. The said law also includes greater obligations for proper organisation of production for export, manufactures and deliveries to the export commodity reserve in accordance with the contractual deadlines and provisions, assimilation for export of the products that make better use of the raw materials, continuing renovation of the products for export with provision for a competitive technical and qualitative standard and the lowest possible production costs, and expansion of exports exploiting Romanian design in the form of licenses, technical documentation and complete deliveries.

With special emphasis on use of the economic-financial levers, Law No 12 of 1980 provides better legislation for the efforts of all workers in the producer and foreign trade units to enhance the contribution of the international exchanges to Romania's socioeconomic development by discovering new ways and means of better exploitation of Romanian exports under the present conditions of intensive competition on the international market.

This is essential if export activity is to be favorably reflected in the overall financial results of the producer enterprises in the form of punctual delivery of goods contracted for abroad and development of new products and varieties with higher standards of quality that will fetch higher prices and permit collection of the foreign exchange (or the equivalent value in lei) as early as possible. In this way the new regulation succeeds in bringing the direct producer closer to the movements and demands of the foreign market. It provides better possibilities for material incentive of the workers in the units that are producing directly or collaborating in manufacture of the product, in case of implementation of exports above the plan provision and the planned cost rates. Since it is determined that at least 50 percent of the foreign exchange collected above the provisions of the foreign exchange plan of the producer units will be distributed to them to be used for imports to develop export production and introduce new technologies or for procurement of necessary materials, subassemblies and parts, development of export production is encouraged in the sectors with real prospects and high competitive power on the international market.

Functions in Keeping with Increased Tasks

From the standpoint of the producer units' relations with the foreign market, the objectives of the export strategy call for ability to detect the multitude of factors and long and short term actions within markets or on the scale of a geographic area, study of the behavior of the consumers, marketing networks and competitors in reaction to the Romanian producer units' policy and strategy, knowledge of the economic structure of the markets and the legislation that characterizes it, and the basic conditions for preparation and creative, efficient use of the export program as a practical working instrument both through measures taken on the internal level and through measures taken for a competitive presence on the foreign market.

It is quite clear that a program to promote exports on the level of the producer units cannot be prepared by the collective of the respective unit alone but can be designed by joint efforts shared by both the industrial central and the specialized foreign trade enterprise especially.

Actually the preparation of the export promotion program reflects the qualitative changes to be made in every enterprise function to adjust to the evolution of the market. It is particularly important to behave actively on the foreign market, accompanied by competitive technical performance ranging from offerings of new products making better use of the raw material to performance of a quality service. Furthermore, the units producing for export will have to strive for an anticipatory behavior, ready to grasp the directions in which the foreign markets are evolving and to start manufacture of the commodities and standard varieties with the greatest economic effectiveness and an assured sale.

The main role in preparing the producer units' export promotion programs is to be played by the units' marketing sections in collaboration with the export official and under the supervision of the trade director or the director in charge of export problems. But in view of the intensive interdependence of the export problems in regard to research, planning and production, the marketing sections in the industrial centrals will also make a definite contribution to preparation of the producer units' promotional programs. In regard to the aspects in connection with securing foreign contracts and orders in advance, using the most effective commercial advertising and propaganda campaigns as well as modern methods of marketing through the most direct distribution channels to consumers, and selecting the best transport means, a particular contribution will be made by the marketing-conditions sections in the specialized foreign trade enterprises and the sections on prices and efficiency as the case may be.

Example: the EVA Enterprise's export promotion program for footwear for the 1981-1985 period.

A. Measures to be taken in Romania

a. Measures in the research and development field: reinforcement of the development section with personnel and an inventory of suitable equipment; development of new products with limited inputs of raw materials and materials and effectiveness in export, especially through maximum use of local domestic resources; introduction of footwear with original Romanian folk designs into the export commodity reserve; cooperative actions with foreign firms making models; cooperation with creative artists, designers etc.; organization of competitions, etc.

b. Measures in the production field: modernization of production lines; specialization of some sections, including collaboration with small industry units to make de luxe footwear; obtaining better qualify by improving the finishing, especially through cooperative actions; further use of accessories of metal, plastic, rubber etc. in the form of buckles, shoe trees, shoe horns, spare tops and heels, small tubes of polish, made by the small industry units, which will help to enhance attractiveness and competitive power; tightening quality control in the problem stages of the manufacturing process; prompt adjustment to foreign market demands, etc.

B. Measures to be taken on the foreign market.

a. Procurement of the required orders and contracts for the longest possible periods: preparation of new collections of samples for negotiations; participation with the specialized foreign trade enterprises in prospecting the foreign market and in negotiating and concluding firm contracts, outline contracts, and orders with as many partners as possible in the socialist countries, Western Europe, Africa, the Near East, Asia, Oceania and America.

b. Organization of special propaganda and advertising campaigns: active dissemination of the trade mark on the package, label, billboards and posters; participation in international creative competitions; participation in fashion shows; arrangement of special show windows and stands in the appropriate stores abroad; production of a minimum of propaganda materials in foreign languages, in the form of catalogs and folders; periodic invitations to representatives of foreign firms to visit the enterprise and determine its export potential, etc.

c. Internal actions tending to increase the foreign price and the efficiency of the export trade: expanded shipping in containers; selection of partners according to their proximity to consumers; proposals to increase the exports to the countries where the best prices are obtained; participation, with other producer units and with the specialized foreign trade enterprise, in organization of our own marketing networks by founding warehouses and stores and possibly also by involving existing mixed marketing companies abroad, etc.

The measures to be taken in Romania and abroad are based on the conclusions that will be drawn from an in depth analysis made over a period of several years that can reveal either shortcomings of the producer unit (low degree of exploitation of raw material, limited assortment, complaints about quality, late delivery etc.) or defects in the foreign trade enterpise's activity (failure to cover the export production capacities with orders in advance, maintenance of connections with partner firms with limited prospects of increasing the volume of sales, a clientele largely composed of intermediaries, etc.) or present or foreseeable obstacles on the foreign market (setting quotas and other irregular protectionist measures, high customs duties, etc.).

Determining and arranging the whole series of measures on both the domestic and foreign levels is a very laborious activity in which the units producing for export will have to appeal (in addition to the direct aid of the industrial central and the specialized foreign trade enterprise) to the wealth of experience, competence, studies and numerous sources of information and documentation of the Institute of World Economics and the Romanian Foreign Trade Center. An active part can also be played by the Romanian Marketing Association through its network of branches throughout the nation by way of direct help in preparing model programs (according to types of industrial sectors) that will better orient the units producing for export. The studies on the macroeconomic level concerning promotion of Romanian exports in the 1981-1985 period, prepared under the direct coordination of the Ministry of Foreign Trade and International Economic Cooperation, are a good source for this purpose.

5186
CSO: 2700/250

WAYS OF INCREASING AGRICULTURAL PRODUCTION

Bucharest REVISTA ECONOMICA in Romanian No 15, 10 Apr 81 pp 5-6, 15

/Article by Dan Popescu: "Requirements and Possibilities of Increased Agricultural Production"7

/Text7 Agriculture has vital tasks to perform on behalf of Romania's socioeconomic development. It is a major source of industrial raw materials and also provides possibilities for advantageous export. But the most important requirement for increased agricultural production is a continuing improvement in the public's food supply. As we know, the increase by 3.65 times in the agricultural output in 1950-1979 permitted an average annual consumption of basic agricultural food products several times greater than in the prewar period: In 1979, 2.8 times more meat and meat products were consumed than in 1979, 2.4 times more fats, 1.64 times more milk and milk products, 3.7 times more eggs, over 5 times more sugar and sugar products, 3.1 times more vegetables and vegetable products, etc.

Romania's entire population, whose standards of welfare and also of education and culture are incomparably higher than those of Romania's past, is striving today for a model of nutrition increasingly emphasizing the products with a high nutritive value, and since the public's total real incomes were about 6.2 times greater in 1979 than in 1950, it has the financial resources necessary for the purpose. Since a shortage in the foreign trade in agricultural products has disadvantages that the economy can by no means accept, a considerably greater agricultural output is clearly required, and improvement of the quality of life directly depends upon it. To convey an idea of the gain in agricultural production required for a high-quality as well as rational model of nutrition, it may be said that according to some estimates the present agricultural output must be increased by 50 percent, without counting the additional consumer demands caused by population growth.

In addition to the foregoing, intensive development of agricultural production throughout Romania and the necessity of involving every farm in that process to make full use of the existing potentials (uncultivated areas in yards, possibilities of stock raising) are becoming particularly important for two other reasons. The first one is the pronounced reduction in self-consumption of agricultural products, which was achieved for about 80 percent of prewar Romania's population. The transformation of the agricultural producer to a purchaser is reflected, among other things, by the high proportion (over 63 percent in 1979) of outlays on food (1) in the total consumer outlays of cooperative farmers' families. It is a process that is aggravating the demand for agricultural food products and if it is to be eliminated, naturally every family and every worker must be involved in the effort toward more intensive development of agriculture. Actually, there can be no self-consumption without production.

The second reason, related to the first, is the growing distances over which agricultural products are shipped, from the production point to the place of consumption. Under the given conditions of production, transportation and sale, the greater distances aggravate the risk of spoilage of the agricultural products as well as the risk of malfunctions in supply (2), to say nothing of the additional energy outlays and consumption.

It is a fact that Romanian agriculture sometimes logs yields per hectare or per head of livestock that are much lower than those generally obtained in the developed countries of the world. Although Romania is at some disadvantages in degree of equipment of agriculture with mechanized labor means, amount of fertilizers applied per hectare, etc., they do not go far to explain the inferior results obtained in Romania's agricultural production (3). For example, there are often considerable differences in the results of agricultural units (CAP's [Agricultural Production Cooperatives] and even IAS's [State Agricultural Enterprises] operating under comparable conditions of agricultural land, mechanization, fertilizers used, irrigation etc. The possibilities of increased production in CAP's and IAS's are also indicated by the fact that the yields of private farms, private farms of CAP members and those of the other categories of workers account for a large part of the total national agricultural output in this five-year plan although the sector (the first two components) occupies about 16 percent of Romania's total agricultural area and has technical equipment and qualifications inferior to those of the socialist units. While the lands held by the said farms are intensively exploited by aid of a labor force that regularly performs its main activity in socialist units in agriculture and also in industry, transportation, construction etc., this sector produces 12 percent of the bread grains, 12.5 percent of the annual fodder plants, 30 percent of the vegetables, 34 percent of the meat, and 45 percent of the cow's milk (4).

Therefore major reserves for increasing the agricultural output of the socialist units are to be seen in management, organization and completion of agricultural activities. How else to explain the pronounced evolution of the investments in agriculture allocated in particular to the socialist sector (an increase by 41 times in 1979 from 1950) compared with the much slower increase in agricultural production by 3.65 times over the same period? Why did Party Secretary General Nicolae Ceausescu point out, at the Second Farmers Congress, the necessity of putting an immediate end to management solely on paper, solely through orders and instructions drafted far from the realities of agricultural production, a management that impairs the spirit of intiative and responsibility of the agricultural units and the workers in the fields as well as the results of their labor. A broad, direct contact is needed between the responsible elements in agriculture and the units and their realities, and a greater shift of production planning and technical-material supply activity to the uniform agroindustrial councils and the economic units themselves, which are quite conversant with production.

Meanwhile it is evident that an adequate field workers incentive system comparable to that in other economic sectors, overall development of activities in the agricultural units, and promotion of small, artisan industries in those units and generally in the rural areas can enhance the economic and financial results, attract youth to agricultural work, reduce the exodus to industry, construction and cities, and further stabilize the labor force in villages and agriculture. The recent updating of delivery, contracting and procurement prices for agricultural products (an enactment that also benefits formation of the financial resources essential to the units' economic development) serves this very purpose as a material incentive to make better use of the reserves for increased agricultural production. All these factors qualify as favorable conditions for more intensive use of the inventories and for the greater effectiveness of the agricultural investment funds.

Table 1. Proportion in Total Volume of Investments of Investments Per 1 Percent of the Population Employed in Agriculture (and Forestry) and Per 1 Percent of the National Income Created in Agriculture (and Forestry)* in Romania Compared with Other Countries

For 1978, in %

Country	CSSR	GDR	Hungary	Romania
Portion of investments per 1 percent of population employed in agriculture	0.86	0.97	0.70	0.42
Portion of investments per 1 percent of national income created in agriculture	1.46	1.07	0.94	0.89

*The respective calculations express the ratio between the portion of investments out of the total that are in agriculture and forestry and the proportion of the total population employed in agriculture and forestry, or the proportion of the national income created in agriculture and forestry.

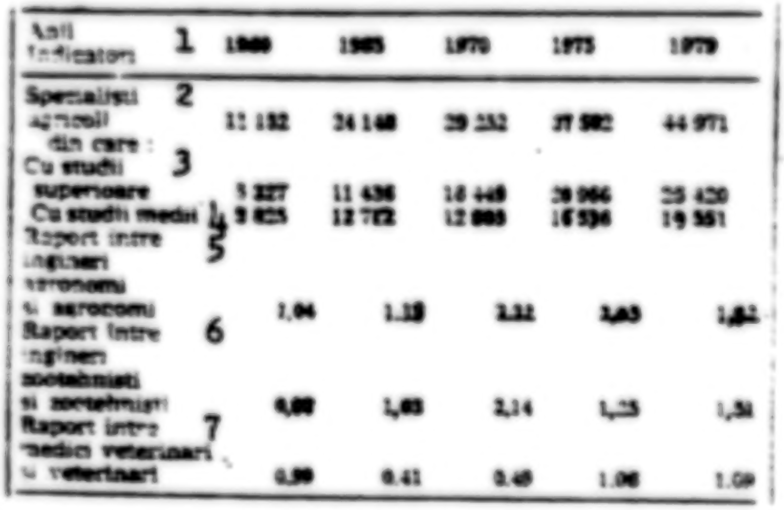
Source: "Statistical Yearbook of Romania 1980," pp 642, 643, 682 and the author's calculations.

For in fact the nation's agriculture still needs considerable investment funds, provided that they are suitably allocated and produce resources that are actually needed to increase agricultural production, and provided that better use is made of those resources. Some criteria for the necessity of increasing the investments in agricultural production are also indicated by the fact that 1 percent of the total percentage representing the population employed in agriculture and forestry as well as 1 percent of the total percentage representing the contribution of agriculture and forestry to the formation of the national income indicate investment concentrations for Romania (1978) lower than comparable indices in economically more developed countries like the CSSR, the GDR or Hungary. See also Table 1 (5).

We think a productive contribution to the effectiveness of the funds invested in agriculture could be made by planning the requirements and possibilities for increased agricultural production and the proportions of that production within a broader horizon than the department, sector or region, that is planning according to fields and in this case the field of agriculture. This field would include agricultural activity properly speaking as well as large segments of industry, transportation, construction, trade etc. that serve agriculture.

Planning of this kind could have good effects. As we know, unfortunately, discrepancies in time and space very often arise in agricultural operations between the volume of the yield obtained and the capacities for harvesting, transportation, distribution and industrial processing of that yield. Such discrepancies have had effects in all the foregoing fields and cause waste in various phases (in the fields, during shipping, in storage areas, in the industrial and trade units, etc.) of values strictly necessary to the public and the economy that have been created with considerable investments in agriculture. Such situations call for the closest possible correlation between the proportions of agricultural production and the respective requirement for technical, transport, refrigerating, distributing and other facilities, which requirement must be properly proportioned both in volume and technically and qualitatively and allocated at the best times. There is an effort toward such a correlation in the present planning system, but because of the artificial distinctions made there between industry, agriculture, transportation, trade etc., which are most often determined by particular sectorial, departmental and regional interests, the originally planned correlation is no longer adequately maintained in detail and in practice, with consequences like those mentioned above. Therefore the view of agriculture in both the planning process and in that of plan fulfillment not just as a sector of the economy distinct from the other sectors and as the organizationally strictly circumscribed activity of one organ or another, but broadly as a composite field including the implementation of agricultural production, the various requirements for that purpose, and transportation, processing and distribution of the respective output could eliminate many of the above-mentioned defects. Essentially this approach would meet the requirements of uniformity of the reproduction process (well known but not always taken into consideration) as one that includes not only production but distribution, circulation and consumption in close interaction with it and as a process that cannot be divided into phases divorced from each other without waste and many other very serious consequences (6).

Table 2. Cadres of Agricultural Specialists Working in Agriculture (at Close of Year)



Anii Indicatori 1	1960	1965	1970	1975	1979
Specialisti agricoli 2	11 132	24 148	29 232	37 582	44 971
din care:					
Cu studii superioare 3	5 327	11 436	16 449	20 966	25 420
Cu studii medii 4	5 805	12 712	12 783	16 616	19 551
Raport intre ingineri agronomi si agronomi 5	1,04	1,18	2,22	3,03	1,82
Raport intre ingineri zootehnisti si zootehnicieni 6	0,88	1,03	2,14	1,25	1,58
Raport intre medici veterinari si veterinari 7	0.30	0.41	0.49	1.06	1.09

1. Years
2. Agricultural specialists, including:
3. With higher education
4. With secondary education
5. Ratio between agricultural engineers and agronomists
6. Ratio between zootechnical engineers and zootechnicians
7. Ratio between veterinary physicians and veterinaries

Source: "Statistical Yearbook of Romania 1980," p 363.

It has often been said that agriculture must be provided with personnel qualified for its major tasks of increasing production and productivity. We shall take up here only one way of meeting this requirement, namely that of staffing agricultural activities with personnel with secondary qualifications, personnel whose role is unquestionably growing with the increasing industrialization of agricultural activity. Let us see what this situation is in practice (See Table 2).

As indicated by the figures in the table, in 1979 there was one agricultural specialist with secondary education to about two agricultural engineers, two zootechnicians with secondary education to three zootechnical engineers, and less than one veterinary specialist with secondary education to one veterinary physician. These ratios are indicative of many situations where the labor of the specialist with higher qualification is dissipated on problems calling for a lower qualification instead of being exploited in appropriate productive activities, as well as many situations where absence of the specialist with secondary qualification can impair the efficiency of the work in a given sector of agriculture.

How to explain the shortage of personnel with secondary qualifications in agriculture, especially since the statistics show that every year tens of thousands of youths have attended the agroindustrial high schools (28,000 pupils enrolled in 1970, 65,000 in 1975, etc.)? One of the reasons for this shortage is the fact that the pupils of these high schools qualifying as agricultural workers upon graduation either enter higher education or go into other sectors of the economy with possibilities of advancement that they consider more attractive, restricting the process of subsequent staffing of agriculture with personnel with secondary qualifications. Among other things, far-reaching measures are needed not only to attract youths to the agroindustrial high schools but also to provide youths who love agriculture with incentives, opportunities for advancement, and adequate satisfactions on a par with those in industry, transportation and construction, if not greater ones in view of the priority on agricultural development and modernization in the present period. Steps must be taken in this direction to attract youth and to stablize them in agriculture.

Implementation of the new agrarian revolution comprising the whole spectrum of agricultural problems and the intensive efforts being made in that direction with the support of increased investments can bring about the fulfillment of the vital role that the agricultural sector has to play in the economy. In that way agriculture will make a greater contribution to Romania's progress.

FOOTNOTES

1. Outlays on food and beverages.

2. All the reported situations can feed the channels of irregular supply of the market for agricultural food products.* In case of a limited supply of products or suitable products (at certain times and within a certain area) on the market segment of the state producers or those represented by CAP's, of course the buyer who is in urgent need of a given product must agree to the price, usually unduly high, that private producers demand for the same commodity or one of better quality. It is clear that no control of prices on the market for agricultural food products (a market characterized by many distinctive features) is feasible unless the high quantitative and qualitative aspects of the supply of the state producers or those represented by CAP's prevent such phenomena, which affect the family budgets.

*In which case it is often possible to charge high prices on the market segment of private producers.

3. See also O. Parpala, "Agriculture for Intensive Production," ERA SOCIALISTA No 3, 1981 p 10.

4. See also Alexandru Ignat, "Complete Use and Efficient Exploitation of the Land Vital to Growth of the National Agricultural Potential," REVISTA ECONOMICA No 9, 1981 p 8.

5. It is interesting to note that the investment concentration in industry is generally higher for Romania than the other countries considered.

6. We note that some socialist countries are using planning by fields in their plan methodologies.

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